Interview with James H. Michel

The Association for Diplomatic Studies and Training Foreign Affairs Oral History Project

AMBASSADOR JAMES H. MICHEL

Interviewed by: Thomas Stern

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Q: Jim, many thanks for giving us time today. I will restrict my questions to management/ administrative issues, but I warn you that we will be back after your retirement to cover your very distinguished career. Let me start by asking first by asking how you became involved in management/administrative affairs?

MICHEL: I joined the Department of State in the Summer of 1965 as an attorney. Through the accident of the assignment process in the Office of the Legal Adviser, I was placed in the office of the Deputy Legal Advisor for Administration, Ed Lyerly. At the time, the Foreign Service personnel system was once again being re-examined. That is a process which occurred frequently through my career, as it had several times before I joined the Department. In 1965, the major issue was the “Hayes Bill”, a Departmentally sponsored piece of legislation which would have unified the personnel systems of the Department using the Foreign Service system as the model. Therefore, from the very beginning, personnel issues were a the priority area of the section to which I was assigned. During the next several years, I worked with various management/administrative offices in the Department. I had a lawyer/client relationship with many of them; increasingly, I dealt directly with them looking at the legal aspects of their problems and became quite familiar with the issues facing the management and personnel staffs of the Department.

Somewhere along the line, we reached the point at which I was regularly consulted and asked to participate in policy reviews, including considerations of system changes which went beyond any legal questions that might have arisen.

Q: In 1965, when you joined the Department, William J. Crockett was the Deputy Under Secretary for Management. He was known as the strongest proponent of the "Hayes Bill". Wayne Hayes was the Chairman of the Subcommittee of the House Foreign Affairs Committee that was responsible for the Department of State.First of all, were you at the time involved in the dialogue between the Department and the Congress on the "Hayes Bill"?

MICHEL: No, I didn't get involved in that process until later. At that time, I was in awe of the Congress as an institution—an awe, I might say, that I never lost even as I came better acquainted with it. I certainly became to know it better and to appreciate more and more the importance of the relationship between the Executive and Legislative branches in the operations of our government. We like to talk about "the separation of power" and its fundamental importance to the structure of our government, but if there is total separation, not much will be accomplished. There has to be some method for cooperation. I learned more about that later when I was assigned to work on foreign assistance legislation and then on the development and enactment of the Foreign Service Act of 1980. I was able to bring to this latter effort the experience accumulated in the previous decade when I developed relationships with a number of Congressmen and Congressional staff members while working on foreign assistance legislation.

Q: Tell us a little more about your feelings about Executive-Legislative branch relationships.

MICHEL: I have some very generalized feelings that are so broad that they probably don't fit any one specific event or situation. In fact, I have concerns more than feelings. Both the Executive Branch and Congress are very busy. In some ways, the work of the Congress

has expanded as the Congressional staffs have grown over the last few years to the stage where a Member of Congress is faced with an enormous array of issues, which he or she is unable to follow completely. That leaves considerable work for the staffers, some of whom, depending on the interests of the member, committee assignments, etc. will delve into an issue at great depth, which at times is very specialized. Some of their interests will lie in specificity in an activity of the Executive Branch. Thus there is an intense interest on the Hill that is manifested largely by staff experts and specialists; then there are large issues which are of interest to the Members themselves. But the day-to-day involvement in and knowledge of Executive Branch activities is essentially a Congressional staff interest. The Executive Branch, for its part, is interested in responding to the mountain of work that continually piles up—the phone calls, the telegrams and letters, trying to take action. That work load leaves very little time to respond to Congressional demands; furthermore, if you have talked to a Member or staffer on one day on a matter and something happens on the following day, the Executive Branch official may not have the time or may not remember to call his interlocutor of the previous day to bring him or her up to date. This is one example of the imperfections in the communications between the two branches; there are many, all of which leave me feeling somewhat uncomfortable. There are misunderstandings in the relationships because it is not a priority of the Executive to keep the Congress informed; at least it is not on the priority level as taking the appropriate action to get a task completed. There are expectations in Congress for a certain amount of information which are not being met and that leads to a certain amount of friction. This is exacerbated by the degree of detail that is desired by the staffers, especially the experts and specialists. In essence, we have a situation in which Congress wants more information than the Executive can reasonably provide in terms of time and attention required and in which the Executive may not have the required sensitivity at all levels and on the part of all individuals who are involved in the Executive-Legislative relationships. There are feelings on both sides that lead to misunderstandings and differences of perception so that when an issue needs to be resolved, even those that have no particular partisan or political quality, one encounters institutional differences of views which increase the communication difficulties

and the resolution of the issue. Some of my most satisfying career experiences have been working with Congress on major legislative projects during which we managed to bridge the communication and perception gaps to a point where we could work collaboratively to develop and enact significant pieces of legislation.

Q: When you worked on the Hayes Bill, you were a relative neophyte to the Department. What were your feelings about a unified Foreign Service that would cover most of the US civilian employees overseas?

MICHEL: At that point in my career, I was impressed by the arguments that were being made within the Department of State in favor of the concept. Indeed, some of those influences have lingered. I was struck by the fact that people are seen differently and treated differently depending on to which personnel system they belong, regardless of their personal capabilities. There were different career paths, different advancement speeds depending on whether one was a Civil Service or a Foreign Service employee. One of the groups with whom we often met to discuss various issues were the Junior Foreign Service officers. I felt somewhat awkward being a Civil Service lawyer whose rate of promotion was considerably faster than for those belonging to the Foreign Service system. They waited for years before moving to the next level in the ladder. On the other hand, the expectation in the Department tended to be that the career ladder for the Civil Service employee peaked sooner than that of his or her Foreign Service counter-part. These differences did not necessarily have a rational basis and there was movement between the two systems by some people as a result of these differing standards and expectations. One system that would have accommodated different individuals with differing skills appeared to me to be ideal. The concept had some neatness and efficiency about it. For example, if there were two auditors who might be inspecting the financial records of a contractor, and if one was a Civil servant and the other a Foreign service member, they might travel under different regulations and standards which might result in differing travel allowances and reimbursement for each, even if they traveled on the same

plane and stayed in the same hotel and returned together. Such possibilities seemed to be cumbersome and perhaps even unfair. In that light, a single system had its attractions.

Q: You have worked under both the Civil service and the Foreign Service systems. Have you ever felt that Civil Service employees had a status problem in the Department?

MICHEL: Yes, of course. The Civil Service work-force is supported by a relatively small staff in the central personnel office. This is in part a consequence of the rank-in-position system that is fundamental to the Civil Service. Perhaps under that system you don't need the same array of people to handle assignments as you need for the Foreign Service which is designed to be a mobile force with rank-in-person, available for re-assignment every three or four years. When you look at the array of career counselors, training programs, etc. there is clearly an orientation in the Department that favors the Foreign Service system over the Civil Service one.

Q: You have an opportunity to observe this problem both here in Washington and overseas. Did those experiences reinforce or weaken your views of many years ago when you supported a single personnel system for all employees of the Department of State?

MICHEL: I must admit now that there may not be a right solution. In the 1980 Act, the decision was made to retreat from the trends of the 60s and 70s which was to encourage Civil Service employees to join the Foreign Service. The 1980 Act was intended to enhance the role of the Civil Service work-force in the Department recognizing that lawyers, historians, some Congressional relations experts, financial management experts and other categories as well as support staff were not really working for the Department with the intention of serving abroad and had no ambition to be mobile. They had chosen the Department of State over some other domestic agency or private employer based in the United States; their alternative employer was not an overseas establishment, but some other employer in the United States. I still carry with me some lingering thoughts that it would be nice if the Department had a single personnel system, but I recognize that

there are a lot of practical obstacles which we have seen in past attempts. The ideal of a single system is certainly a worthy one, but it is not practical. At one time, there was a suggestion that a distinction be made in the retirement system by making eligibility in the Foreign Service system dependent on overseas service, but that all employees of the Department be made part of the same system with one grade structure rather than having two classification systems which results in people working in the same office under differing rules and criteria. As I have moved away from direct involvement in personnel issues, I have become less convinced that there is a right answer. The Department can be managed with two personnel systems with appropriate attention being devoted to the needs of both Civil Service and Foreign Service employees. On the other hand, a single system could be instituted which would distinguish in its implementation between the people who are in the classical Foreign Service Officer model, who enter at the bottom and expect advancement to more senior level through a variety of assignments and experiences, and those who enter through a narrower range of anticipated careers while serving in one location in the United States. There will be difficulties and imperfections in either choice of single or plural systems.

Q: You have just mentioned the Foreign Service Act of 1980. What were your responsibilities in the 1979/80 period?

MICHEL: I was the Deputy Legal Advisor. While in that job, in the late 70s, a process was initiated which originally had been intended to look at the “Foreign Service structure”. A lot of discussions were held among senior Departmental officials and in the Foreign Service on that subject which went on for quite a while. Eventually, some clear options became to emerge; people began to think in terms of developing some new legislation to implement the chosen options. It was at this stage that I got drawn into the process, which was about 1978. Ben Read was then the Under-secretary for Management.

Q: What was driving the Department at that time to submit new legislation?

MICHEL: The process began before I joined it. Other participants might have a better insight into that question. I believe that there existed a number of perceptions that the system was deficient in a number of ways. One of the concerns was prompted by the junior and middle-level officers of the Foreign Service who at the time belonged to a service which had reached its resources peak—no new countries were being created, no new embassies were being established. The expansion of the Foreign Service had come to a halt. The question then was how to manage an almost too stable situation, trying to keep a vital Foreign Service while assuring its members of stability and predictability so that they could devote their lifetime to a foreign service career. There were calls for draconian slashing of the senior ranks from those who believed that their promotional opportunities were being delayed. The senior officers were calling for greater assurance of predictability for their careers. There was a sense that the Service was losing valuable people while at the same time retaining some who may not have been the most valuable officers. There was a lot of discussion and ferment about the personnel situation. If the Service had been expanding, if budgets had been growing, there may not have been such a wide-ranging discussion of the issues, which were legitimate on their own merits, but which had become much more prominent when they began to have practical consequences. There seemed to be a limited future for a service which brought in a large number of new people without losing any of its members, except to the occasional retirement, while the budgets didn't grow. Something had to give.

Q: What were some other important issues that were to be decided by the legislation?

MICHEL: There was the issue of whether the Department would continue to have, as part of its staff, employees who were governed by the Civil Service personnel system. If the Civil Service were to continue, how would it be structured rationally and with equity for all employees of the Department? There was a general consensus that lines had to be drawn and positions and functions identified clearly as either Foreign Service or Civil Service. A large portion of the Act consisted of transition provisions which enabled people

to choose, with certain encouragements, and move from one system to the other. An effort was being made to get functions and related personnel in one system or the other and for that to happen, the Department needed certain transition authorities. To some extent, this was a roll-back of the notion of a domestic Foreign Service which had been the preferred management option of a few years earlier. By 1980, the preferred option was to have Foreign Service personnel in positions designated “Foreign Service” and Civil Service staff in positions designated “Civil Service”. The Foreign Service employees would be available for overseas service; other employees should be in the Civil Service. That became a guiding principle in the sorting out that took place in the period immediately following the passage of the Act.

Q: As a current senior manager in the foreign affairs field, has the Act of 1980 served you well?

MICHEL: As a manager, I have given less thought to these personnel issues than might have been expected in light of my experience. I am not sure that I could draw a cause and effect relationship between the Act and the availability and quality of people working in the organizations that I am managing or did manage.

Q: That is a very interesting comment. Does that suggest that a manager does that the best he or she can with what tools he is provided and does not worry to any great degree about how it came about.

MICHEL: The two alternatives that you mentioned are not necessarily mutually exclusive. The manager does seek to attract the best people and tries to do the best job he or she can with the people available. That takes priority. Thinking about why the system has assigned this or that person to his or her office and whether because of that assignment the system is good or bad, is just something most managers don't have time for. You don't have the luxury of wondering whether you might get better people if the Act of 1946 were still in effect. That seems a little esoteric when you are trying to get a job done.

Now there have been individual cases which illustrated issues that had been viewed as systemic when the Act of 1980 was developed. But they had to be dealt with in the work place as individual matters. After the passage of the Act, good officers were subjected to the “time in class” requirements that had been allowed, prior to the 1980 Act, to atrophy. The notion of “selection out” had all but disappeared by 1980. There was multi-year “time in class” for the top three grades of the Foreign Service which was in excess of twenty years. It was not difficult for anyone who reached one of these grades to be assured a career until retirement. In effect, if an officer got promoted to the senior ranks, he or she could be almost assured of not being “selected out”. The Act of 1980 tried to bring some greater balance into the system so that younger officers could hope for promotions while providing some greater assurance and stability for people who had demonstrated ability and who had moved up in the ranks. The Act introduced the notion of “limited career extensions” which permitted officers to continue employment, but the assurance of a further twenty year career was terminated. Sometimes, in individual cases, you might see a good officer fail to reach the level necessary for continued employment because in part at least the group of officers against which he competed might have been particularly outstanding. That officer, by happenstance, might be competing for a “career extension” with other officers who were all assistant secretaries or ambassadors while he was only at that point in his career an office director. He could have been the best office director in the Department, but because of the assignment process, he would not be competitive with his particular set of colleagues against whom he was being measured.

Q: There are some who say that in fact the Department manages at least three personnel systems—the Foreign Service, the Foreign Service indigenous personnel and the Civil Service. And each of those major categories has subgroups which further add to management's difficulties. I recognize that you haven't been directly involved in personnel issues in the last few years, but you have had to manage people who belong to one or another of these “tribes”. So I would like to ask you what your views are, as a manager, of the problems that arise because of this menagerie of systems?

MICHEL: One of the things that we did try to do in 1980, and I believe it to have been an important aspect of the structure of the Foreign Service, was to talk about “members of the Foreign Service” in order to diminish the existing sharp distinction between Foreign Service officers and Foreign Service staff. The problem is even complicated overseas because some of the representatives of other agencies are Civil Service employees—e.g. the civilian employees of the Department of Defense. In managing an embassy, the objective has to be to submerge differences within the country team which may flow from people belonging to differing personnel systems—Foreign Service, military services, Civil Service. Differences may also arise because of agency identification; each agency represented in an embassy expects its employees to carry out its mission. That sometimes has a rather defined set of limits. That is not the way a coherent foreign policy can be conducted and part of an ambassador's responsibility is to soften the sharp delineations that agencies like to establish for their overseas activities. I used to tell people in my embassy that they should take their agency identification cards out of the breast pockets and put them in their back pockets and sit on them. They needed to put the United States objectives first and participate in the country team's efforts rather than serve exclusively or even primarily the narrower objectives of their home agency. That never flows all the way in one direction or another, but blurring the sharp identification of an individual so that he or she becomes a full member of the team is an important part of the management of a foreign service post.

Q: What is the situation in Washington? Do problems arise among individuals who work for you because they are members of different personnel systems?

MICHEL: There are advantages that the Foreign Service system has because it permits and at times even encourages mobility for its members. That is useful for a Washington manager. For example, there may be an office director who leads a staff for four or five years and does a fine job. The intangibles that stem from policy changes and attitudes, the changes in the personalities that conduct foreign policy and relations over a period of time,

tend to enable the Department to more effective. A change in personnel from time to time at the mid-management level is often useful. The debate is not whether there should be changes; the debate is on frequency of that change. Certainly, changes every two years —people just learning their jobs and then being transferred—are not likely to make an organization very effective. On the other hand, if you have a Civil Service officer, however competent, as an office director for ten years, with no indication that he or she will leave that position for another ten years, something is lost in the agility of that office because one person has been in a job for a long time.

Q: Does the rotation requirements of the Foreign Service interfere in any way with the Department's ability to compete with domestic agencies or with its conduct of effective Congressional relations?

MICHEL: Clearly, in some of the bureaucratic relationships, the Department may well be at a disadvantage. Some time ago, I attended a meeting of the Security Assistance Program Review Committee, after having been absent from that process for a number of years. Although something like twenty years had passed, looking around the table I saw a lot of the same faces that I had seen there earlier—from Treasury, Defense, OMB, etc. Of course, all the State representatives were new. That can be a disadvantage. On the other hand, there should be a balance. For example, in terms of Congressional relations, it is a very good thing to have career Foreign Service officers who have served abroad participating in the process. Of course, the Foreign Service officer is on a learning curve, having been overseas for several years. He or she might have difficulties the first few times in finding an office in the Cannon Office building; that might take a while. But it is important that the Department's staff, which is primarily imbued with its overseas experience, have that first hand experience and understanding of how our government works, including the very important aspect of Executive-Legislative relations. Furthermore, these Foreign Service officers can bring to the Congressional relations work the practical experience of carrying out the United States' foreign policy in an overseas context. They can share that reality with Washington based personnel, both in the Executive and

Legislative Branches. However, I should again note that if that Foreign Service officer is transferred too soon, he or she may not have become truly proficient in the Congressional relations work—or any other largely domestic activity—which will work to the disadvantage of the institution. The other extreme, which existed when I joined the Department, was that the Department had some experts who were very good in finding remote offices in annexes on Capitol Hill and who could recognize Members of Congress by sight, but were not necessarily able to answer substantive questions.

Q: Do you feel today a need for a new Foreign Service Act?

MICHEL: No, I do not. It seems to me that the Foreign Service system has been subjected to an awful lot of tinkering in the hopes that it could be perfected. We have just been discussing some of the anomalies of the system. The Foreign Service Officer Corps is a very a very special resource that the United States has. You can't entirely submerge Foreign Service officers into generalized personnel systems without losing some of their elan and esprit de' corps. Of course, my views area biased because I have been associated with the Foreign Service and its members for a long time, but I firmly believe that a general personnel system would be detrimental to the Foreign Service. Whatever system it is, however, it must be managed to preserve that special quality while at the same time taking into account the needs of a whole host of specialized resources available to the Department both at home and abroad. People have to work with systems, but if you are running an embassy, you want a “team” to support you; you don't want the members of that “team” to worry about whether they are officers or staff or whether they are Civil Service or Foreign Service or whether their home offices are the Department of Agriculture or the Department of Commerce or the Department of State. You don't want personnel issues to cause frictions or to distract people from the substantive work they have to perform. The personnel systems must function so that people feel that they are being treated fairly and so that managers have a sense that they have the personnel resources necessary to discharge their obligations. Therefore, personnel systems have to managed carefully and constantly, but I do not believe that upheavals or new Foreign

Service Acts are necessary. The Act of 1980 as written is broad; it is susceptible to sound management; it strengthens participatory qualities of management by strengthening the labor-management sections; it does not constrain a lot of decision that could be taken in the implementation of the Act. That reinforces my view that constant management attention must be devoted to the personnel system, but I have no enthusiasm for another major study of “what is wrong with the Foreign Service”. The charter provided by the Act of 1980 should be adequate for any improvements that management may wish to make. There is no single perfect answer and that is evident by the long string of studies going back to the early part of this century, which I examined when I was working on these personnel issues and during my participation in a variety of intended reform activities that were sometimes wrenching.

Q: It is interesting to note that since World War II, there have been probably more studies of the Department of State and the Foreign Service than any other government agency that I know. Do you have any views why there is that constant feel for change in the personnel practices of the Department and the Foreign Service?

MICHEL: It is not all bad in that it suggests that a lot of people consider the functions to be performed by the Foreign Service are important and that efforts should be made to have the very best qualified people with the very best training, working conditions, etc. available to discharge those important functions. There may be a lot of other reasons, but I think the importance of the Foreign Service is certainly a priority.

Q: One of the reasons for the continual changes in the Foreign Service personnel system which has been suggested by some is the continual turn-over of Under Secretaries for Management. Does that make sense to you?

MICHEL: There have been Under Secretaries who came to office with some objectives in mind which they wish to achieve during their tenure. If the system appears to be an obstacle, then they have the natural reaction which is “Let's look at the system”. It seems

to me that it is somewhat too simplistic to say that because there is a turn-over in a position that it follows that new studies will be undertaken. We have high turnovers in Cabinet and sub-Cabinet positions and in other high level governmental positions; if the theory you mentioned is correct, these Cabinet Department and offices should have comparable levels of studies on every subject. That just doesn't happen, so I suspect that the high turn-over in the Under Secretary for Management position is not a complete answer to frequent studies of the system.

Q: You mentioned the importance of the functions of the Foreign Service. Do you believe that the White House, Congress, other Cabinet Departments have an adequate understanding what they can expect from the Department of State?

MICHEL: I have always felt that the Department of State needed to be a more effective manager and coordinator of inter-agency activities which fall in the conduct of foreign relations. I have had a sense of frustration that individuals in the Department with responsibility for various activities have sometime tried to do conduct them by themselves. They fail to harness the broad resources available in the U.S. government. In some other cases, Department officials have permitted others to be the coordinators, leaving State to be only one of several agencies which follows the lead of whoever took the leadership. The Department has far greater opportunities to be more of a leader in the inter-agency process than it realizes. If a State official calls a meeting, other agencies will respond and will be represented at the meeting. That allows the Department to take on a leadership role just because it is the Department of State. I don't want to imply that this doesn't happen; there are some admirable illustrations of such process. But the Department and its staff could do more and could take on a greater leadership role.

Q: That suggests that there is not a unified view in the Department of what its role should be.

MICHEL: That may well be. I suspect that this leadership role has not been explicitly raised as a question of identity of the institution; there are people who would wish the Department to take what ever action might be appropriate without regard to the views of other agencies. Then there are other State officials who do wish to engage other agencies and who would wish to guide them because these agencies will operate regardless, even without State guidance. These officials would wish to have the Department become the focal point for coordination of U.S. governmental activities overseas and who would hope that the Department could influence these activities so that all agencies in any particular country are targeting their efforts in a single direction. As I said, that is being done in some cases; it could be done in a lot more. I see the Department as a relatively small agency staffed by high quality people—in the sense of having both capabilities and a faith in what they are doing so that they will work very hard in a very determined way. Such an agency, given the quality people it employs, could accomplish more as a leader and coordinator than as an actor.

Q: That brings me to raise a question about Bill Macomber's efforts in putting together his "Diplomacy for the 70s". You were then still in the Legal Advisor's Office. What role did you play in that effort?

MICHEL: I started as a member of one of the committees. All the committees put together a large volume of reform recommendations. Together they looked at the question of the structure of the Department and the Foreign Service, including the age-old question of whether the Civil Service and the Foreign Service should amalgamated or kept as distinct entities. At that time, the dominant opinion was that an effort should be made to unify the personnel systems.

Q: What were your views about the nature of the Macomber effort; that is, an effort to "reform from within" which dictated that most of the committees' members be officials of the Department or Foreign Service.

MICHEL: Everything has to be looked at in its historical context. We were then at a very interesting time in the history of the Department. The American Foreign Service Association, which had been primarily viewed as a professional organization of "gentlemen"—not many women— was facing a lot of new issues. It was beginning to think like a labor union; its membership was in ferment. The management of the Department of State was facing a lot of societal changes in the country and the world which were being reflected by some of the problems of the Foreign Service. There were a lot of different experimental efforts going on trying to deal with these changes. The "Diplomacy for the 7os" was one step in that direction. It was an effort to involve a lot of people in management reforms rather than depending on a few at the top making decisions which the Department and the Foreign Service would have to accept.

Q: As we approach the end of this interview, I would like to note that many of our contributors to the oral history program have pin-pointed certain issues that appear to be problems regardless of the time period that is being discussed. I refer to such issues as "generalist vs. specialist", the "cone system", etc. Do you think that these issues will ever be resolved or does the Department need to view them as ever-present and learn to live with them.

MICHEL: I don't believe that the issues will ever be finally resolved. As I said earlier, there is probably no one perfect solution to these issues. There are realities that have to be managed. The fact that the issue exists does not mean that it should be ignored. The fact that it does not disappear does not mean that it should not be managed. The issue will remain a continuing challenge to the managers. For example, when you look at the Department and the Foreign Service, which are not coextensive, one should not forget the foreign national staffs. That is another personnel system, which ebbs and flows in terms of the amount of attention it receives. I happen to believe that it may need more attention that it gets on average over the years I have been associated with foreign affairs.

Q: Jim, many thanks for a very interesting discussion. We look forward to the day when we can ask you to review your whole multi-faceted career.

End of interview